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C O N F I D E N T I A L SECTION 01 OF 09 NEW DELHI 000512

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TAGS: PREL EAGR PGOV PINR ENRG PHUM PTER SCOI IN

SUBJECT: UNDERSECRETARY BURNS AND FS SARAN DISCUSS NEXT STEPS ON POTUS DELIVERABLES

Classified By: Ambassador David Mulford for Reasons 1.4 (B, D)

¶1. (C) Summary: Undersecretary Burns and Indian Foreign Secretary Saran reviewed ten potential deliverables for the

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President's visit during a January 20 working lunch. In a meeting later that day, U/S Burns stressed to Planning Commission Deputy Chairman Montek Singh Ahluwalia that India will be one of the President's most important visits this year. FS Saran is particularly enthusiastic about agriculture, science and technology and energy initiatives, describing the Agricultural Knowledge Initiative one of the GOI's top priorities for the visit. Given the breadth of proposals, it is important that we prioritize our ideas, particularly on our agriculture, democracy and energy initiatives. End Summary.

POTUS Visit Should Highlight Agriculture Cooperation

¶12. (C) FS Saran emphasized the importance of the US-India Knowledge Initiative on Agriculture contributing to the development of rural areas, a high GOI priority, and promised to send an Indian Workplan to the Embassy by Monday, January ¶123. In another January 20 meeting, U/S Burns told Planning Commission Deputy Chairman Montek Singh Ahluwalia that the Administration hoped to make agriculture a centerpiece of the President's upcoming visit to India. Ahluwalia said

agriculture is of prime importance to the UPA Government, since the rural population voted out the NDA regime for neglecting this sector. Therefore, this Government is prioritizing agriculture and the US association with "a new green revolution." Ahluwalia noted that the bilateral board reviewing the US India Agricultural Knowledge Initiative will meet on February 12 to hopefully finalize a program for the Initiative. He added that, if the two sides could close on a program by February 12, the US and India could announce the launch of the Initiative during the President's visit.

Ahluwalia said that the Indian paper will reflect something new in the bilateral relationship, i.e., a genuine sharing of technology without attendant aid requests. (Post comment: The promised Agricultural Initiative paper was forwarded to SA/INS on January 20. End comment).

¶3. (C) Dick Christenson, noting that no Indian private sector representatives joined the inaugural Agricultural Board meeting in December, suggested it would be useful if they participate in the next board meeting on February 12. MEA Director (Americas) Gaitri Kumar commented that the board does have two private sector members who might attend on February 12, but that the GOI was considering adding representatives from irrigation companies. She hoped the board can sign onto the Workplan at the February 12 meeting. Christenson also suggested that the Workplan cover the four key areas under the Knowledge Initiative on Agriculture, including education, food processing, biotechnology and water, and asked for a GOI estimate of the funding requirement from the US side. MEA's Kumar predicted that the GOI will be committing between USD 80-95 million over the three year life of the Workplan. Until the Workplan was

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approved, Kumar was hesitant to give any final monetary figure. MEA indicated that they would not require a similar amount from the US side, and agreed to get back to us with a minimum ballpark figure.

¶4. (C) Stressing the potential for growth in the food processing sector, the Foreign Secretary noted that Indian businesses want to learn about opportunities in this area. Because so much food goes to waste in India, there is great potential for greater efficiency and investment in food processing. Christenson added that biotechnology is also an area for growth. Kumar explained that the Workplan was an Indian "wish list" of items, and requested that the US provide feedback on how to make these ideas work.

¶5. (C) Saran raised the idea of hosting a public agriculture project with a "farmer's rally" or "village fair" during the POTUS visit to make the link between the new initiative and assistance the US gave to India's Green Revolution in the 1960s. Noting that there is already a "foundation of public memory" about the US role in India's agricultural sector, Saran stated that some sort of "colorful event" would go over very well with the Indian public.

¶6. (C) Given our history of involvement with Punjab Agricultural University (launched 50 years ago with US funding and technical support) Ahluwalia said he is personally lobbying PM Singh to invite the President to lunch at the College of Agriculture. The two Governments should move away from the model of grand state dinners to a more informal setting where the PM and President could engage much more freely and give the President a better sense of India, Ahluwalia argued. A visit to Punjab would be the perfect fit to focus on agriculture: it is the PM's home state, it is one of the most advanced and important agricultural states in India, and it has a long history of American support and commercial presence. Burns noted that the issue then is whether to do two events in Hyderabad that focus on the new US consulate and agriculture or a separate agricultural event in Punjab. This issue will be decided by the White House.

¶ 7. (C) Foreign Secretary Saran told Undersecretary Burns that India also views agreements for a Science and Technology Binational Commission and the opening of an external office of the National Science Foundation in India as priorities for President Bush's upcoming visit. The Indian Ministry of Science and Technology is currently working on a draft to create a commission to award joint R&D grants to public/private partnerships for basic science research.

Responding to PolCouns' comment that the US-Israel Binational Industrial Research and Development (BIRD) Foundation is not an appropriate model for this project, Saran agreed that it was only a reference, and the Binational Commission would involve more transparency and a broader range of scientific projects with greater demonstrable value to local

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communities. Industrial research would be one component, and our four ongoing S&T projects could be added to the commission. FS Saran noted that the GOI is very interested in exploring joint nanotechnology projects under the Binational Commission or HTCG and views favorably the idea of adding public and private sector partnerships to this project.

¶ 8. (C) Dick Christenson described a funding proposal to combine USD five million from an existing rupee fund, USD three million from a jointly owned fund and another USD five million from an Indian source. Saran indicated that if our governments can work out a structure and find good projects, then the GOI is committed to funding this commission. He suggested that an Indian Cabinet Note on this project is expected at the end of February. Christenson noted that the Science and Technology Binational Commission and the proposed Agricultural Knowledge Initiative would be competing for a finite pool of USG resources.

¶ 9. (C) MEA Joint Secretary (Americas) S. Jaishankar raised the possibility of opening up an external office of the National Science Foundation (NSF) in India. The NSF currently has offices in Paris and Tokyo, and approved an office in Beijing as part of the President's recent visit to China. The breadth of and potential for Indo-US cooperation in science, Jaishankar emphasized, makes Delhi a natural candidate for another field office. The Foreign Secretary added that this deliverable would have a very positive impact in India.

Saran: Energy Projects Will Have a Positive Impact

¶ 10. (C) Aside from the Civil Nuclear Agreement, FS Saran expressed his hope that during the POTUS visit we could make two additional energy announcements on the FutureGen Zero Emission Project and the Integrated Ocean Drilling Program. India is dependent upon fossil fuels, he continued, but is worried about the negative environmental aspects. Therefore, the GOI is working on clean coal technology, and would be excited to join in the development of a FutureGen zero-emissions coal fired power generation plan. He predicted that a deliverable for a "US-India Zero-Emissions Project in India" would have a big impact within the country. He also requested Indian participation in the joint US-China-EU-Japan Integrated Ocean Drilling Program to study India's recent discovery of gas hydrates.

¶ 11. (C) Ahluwalia said India hoped that some of the topics in the energy working groups would ripen in time to highlight during the visit. India expects the energy dialogue will lead to robust cooperation between US and Indian companies, including the introduction of leading technologies. He added that it would be helpful if the US could be responsive to India's trade concerns, such as the import ban on US imports of Indian mangos, so that the dialogue on lifting trade

barriers would be seen by the Indian public as a two way street and not just India responding to US requests to lift

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trade restrictions.

GOI Slow to Respond to Democracy Initiatives

¶12. (C) Undersecretary Burns raised the notion of highlighting American and Indian shared values by creating an Indian equivalent to the National Endowment for Democracy (NED). Burns reported that NED's Carl Gershman is willing to come to New Delhi to discuss this proposal. Saran observed that it would be difficult to set up a new institution and asked how this would link to NED. He added that it would be "easier to do if it were done as an NGO," (presumably avoiding a GOI role) but agreed to look into the idea. He suggested this could be fleshed out during the February visit of U/S Paula Dobriansky.

¶13. (C) Christenson asked for Saran's views on establishing a training program to educate Iraq's civil servants on federalism and decentralization issues. Saran responded that New Delhi was interested in training Iraqis in India, where the country had expertise in training for civil servants and Iraq diplomats on everything from accountant skills to parliamentary procedures. Reflecting on his experience during the kidnapping of several Indian truck drivers ("when my whole life was Iraq"), Saran commented that it would be very difficult to send Indian trainers to Iraq. The hostage situation had created a national sensitivity about deployment to these hot spots. However, he agreed "in principle" to look into Christenson's idea of a hybrid program to host the first half of the training in India and the second half in Iraq.

¶14. (C) Christenson also requested feedback on our concept paper on "The 21st Century Leadership Alliance, a joint project, possibly to include Japan, to build the capacity of Afghan government officials and civil servants. MEA's Kumar stated that the GOI is discussing this paper with its embassy in Kabul, and will get back to us with a response.

Weaving Together Defense Cooperation Ideas

¶15. (C) FS Saran raised the issues of cooperation on disaster relief and anti-piracy initiatives, and asked when New Delhi might hear from the US on the sale of a Landing Platform Dock (LPD) ship and possible participation in the Multirole Maritime Aircraft (MMA) program. OSD's Claudio Lilienfeld described a proposal for a Maritime Security Statement of Principles or joint statement on maritime security cooperation that would guide a wide range of activities, including: a US-India anti-piracy initiative, disaster relief cooperation, maritime interdiction operations, naval exercises, and military exchanges. A broad maritime security initiative could also provide the context for transactions such as the LPD and maritime patrol aircraft. If India is ready to sign on to the Proliferation Security Initiative (PSI), this decision could also be reflected in the joint statement. Responding to a question

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for U/S Burns, Saran stated that the GOI is "discussing PSI seriously" and that he is "hopeful."

¶16. (C) Undersecretary Burns emphasized that we are "willing to move on the military relationship." On military hardware, he added that the US will need to make exceptions to national disclosure policy to be able to grant India access to MMA development technologies and the AESA radar, but that we were speeding along decisions on these.

¶17. (C) On LPD, Lilienfeld commented that we are currently awaiting Congressional notification for the LPD transfer, something that the State Department was working on with the hill. Although the LPD could not be delivered until the end of 2006, we hoped to have enough process to enable some announcement on LPD to be made during the POTUS visit. He also relayed that the US Embassy's Office of Defense Cooperation had heard from the Indian Navy Staff that the GOI had decided not to lease the P-3C Orions and asked for clarification on this issue.

¶18. (C) FS Saran commented that progress on the disaster relief initiative should build off of the "good development" of US-Indian post-tsunami cooperation. Saran asked that the US and India agree to at least one near term (e.g. Spring 2006) disaster relief-related mil-mil exercise that could be announced during the President's visit. He also stated that the GOI is planning to create a Disaster Management Cell, which he described as the counterpart of the US Federal Management Emergency Agency (FEMA), but with a defense component. Jaishankar added the possibility of creating linkages between this new Indian agency with the US Pacific Command (PACOM)'s Center of Excellence in Disaster Management and Humanitarian Assistance in Hawaii. He suggested that we weave together several connections and combine these initiatives into a package for the POTUS visit.

¶19. (C) Lilienfeld brought up three additional defense issues which the USG hoped could be concluded before the President's visit, including a Logistics Support Agreement, a Communication Interoperability and Security Memorandum of Agreement (CISMOA) and a post-NSSP agreement for cooperation in missile defense. He added that Washington and PACOM were currently reviewing the recently-submitted GOI draft for a Logistics Support Agreement, and waiting for the MOD's next response to the draft CISMOA which had previously been provided to the GOI, both of which would facilitate joint military initiatives such as MMA. On missile defense, Lilienfeld cited the conclusions of the November 2005 US-India Defense Policy Group in which there was general agreement on the need for a new mechanism for continued missile defense cooperation now that the NSSP is concluded. He suggested a statement of principles that could create a framework for regularized dialogue on missile defense and pave the way for continued cooperation. The two delegations agreed that DoD drafts of a maritime security/anti-piracy statement and a Post-NSSP Missile Defense Cooperation statement of principles would be provided soon in the hope that they could be finalized by the time of the President's

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trip.

CLSA and Indian Astronaut Still Up in the Air

¶20. (C) MEA Joint Secretary Jaishankar expressed satisfaction at the US-India agreement for a space launch technology safeguards agreement (TSA), but said that the GOI had serious concerns about the US draft of the Commercial Space Launch Agreement (CSLA). Noting that the US Trade Representative (USTR) is the US lead negotiating agency on this agreement, Jaishankar observed that trade in satellite services provisions, which are extraneous to commercial satellite launches, have been included in the US draft even though they have never been part of US CSLAs with any other countries, including non-market economies such as Russia. As a market economy, India is entitled to an unencumbered CSLA with the US. He offered two solutions. The Indian side can return the American draft with a counter draft or paper proposing a pared down launch agreement, excluding satellite services, and the two sides can negotiate a final text on this basis in time for the visit. The second solution was to scrap a CSLA altogether. Since India already has access to the US launch market through the just concluded TSA and India

is a market economy, Jaishankar questioned whether a CSLA agreement was even technically necessary. Jaishankar said that he would talk with the Indian space agencies and get back to the American side with an answer. (Post comment: On the margins Jaishankar agreed that a DVC in the coming week between the negotiating teams might be the best course to map out an action plan for CSLA. End comment.) MEA Deputy Secretary (Americas) Santosh Jha later commented that the GOI

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hopes to convene another Space Cooperation Working Group Meeting before the President's visit.

¶21. Underlining the importance of the President's offer to include an Indian astronaut on a US space lunch, Undersecretary Burns asked whether the GOI had made any decision. Jaishankar explained that just when the GOI had begun to engage on funding issues, NASA representatives told their Indian counterparts at a meeting in Japan that because the US had cut back on shuttle flights, the offer was no longer valid. Upon hearing that the offer, which was part of the July 18 Joint Statement, had not been withdrawn, Jaishankar asked how much GOI funding will be required. Undersecretary Burns estimated that India will need to commit about USD one million per year, and told Jaishankar that he would ask NASA to reengage and get back to the GOI with a paper on this issue.

CEO Forum a GOI Priority for POTUS

¶22. (C) The Foreign Secretary emphasized that the focus of the investment and trade deliverable should be on the work of the CEO Forum, and requested that we help ensure that the US participants in the forum are all available to join the President on his visit to India. Ahluwalia also argued that the forum should play an important role in the economic

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elements of the President's visit to India. Christenson put out an idea from the Trade Policy Forum to create a training initiative to help Indian law enforcement detect IPR violations. Saran confessed that he did not know much about this idea, and asked for a paper describing the program. Noting US appreciation that the Dhabol case had been resolved, Christenson said it would further improve the business climate if we could resolve the remaining "legacy" commercial issues such as the DiAmmonium Phosphate (DAP) fertilizer issue. Kumar invited us to present a list of legacy issues to work on before the POTUS visit.

Public Health: Common Interest but Different Ideas

¶23. (C) Christenson offered a US initiative to address India's interest in building Schools of Public Health (SPH), but Saran was more interested in a program to link health care institutions to build on the medical outsourcing trends. The Foreign Secretary described the large increase in the number of Americans who are coming to India to receive high-quality, low cost health care. MEA's Kumar commented that the Indian Ministry of Health is working on a proposal for a "health package," but it may not be ready in time for the President's visit. (Post Comment: Mission staff is aware of Indian Ministry of Health's interest in making SPH a topic for the President's visit. It is likely that the Indian MOH may not have communicated their views to counterparts in the MEA. Mission recommends U/S Dobriansky meet with the Minister or Secretary of Health to discuss SPH issues. End Comment.)

¶24. (C) Stressing the President's commitment to fighting Avian Flu, Christenson raised the notion of a cooperation program to sharpen surveillance and detection of the disease. He raised the example of compensation to farmers for reporting incidents of the flu, noting that farmers were

otherwise reluctant to flag concerns that would destroy their livelihood. Saran said this might be a productive area for cooperation, and suggested that Under Secretary Dobriansky bring an avian influenza expert and a pharmacy industry representative with her when she visits India in February. NSC Senior Director Rood emphasized that President Bush is personally committed to a vigorous effort to combat avian influenza. The Foreign Secretary asked that we arrange a meeting on this topic during U/S Dobriansky's visit to India.

No Decision on Education Initiatives

¶25. (C) Christenson suggested that it might be the right time for India to revise the 1950 Fulbright Agreement and look towards contributing parity in funding. Saran, who first asked whether India had a Fulbright Program, requested more information about this topic. (Note: Ambassador Mulford previously sent a letter to Saran pressing India to make these changes, even indicating that lack of progress could result in "funding cutbacks." It was clear that Saran

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had not previously focused on this idea as a Presidential deliverable. End Note.) Christenson reported that the US currently contributes USD 1.6 million annually to the Fulbright program, which over the years has supported the research of over 15,000 American and Indian scholars. He asked the Foreign Secretary to consider revising the 1950 agreement to include GOI "parity funding," which would bring India in line with the standard practice throughout the world. P Advisor Ashley Tellis underlined USG priority in this Fulbright idea. MEA Deputy Secretary (Americas) Santosh Jha noted that this proposal was currently awaiting approval from the Ministry of Human Resources Development.

¶26. (C) Saran raised the possibility of opening science and technology branches of US universities in India. MEA later commented that they expect the debate on educational market openings to be very sensitive, particularly for schools competing to teach social sciences. Therefore, they suggested that we first work to allow less threatening "technology" universities to offer courses in India, and invited us to present a paper with our ideas on educational market openings.

New Ideas for Wildlife Conservation

¶27. (C) Christenson suggested the GOI consider joining the recently announced Coalition Against Wildlife Trafficking (CAWT) to focus attention on wildlife trafficking and improve cooperation on law enforcement, particularly for endangered animals. He acknowledged that the GOI had not fully embraced the earlier US proposal on tigers, and said we hoped the new proposal would win full GOI support. FS Saran requested that U/S Dobriansky bring a paper on this idea when she visits in February.

Comment: Next Steps for Successful POTUS Deliverables

¶28. (C) We are waiting for a formal GOI response on the S&T Binational Commission, Commercial Space Agreement, CISMOA, establishment of an Indian National Endowment for Democracy counterpart, Iraqi training programs, The 21st Century Leadership Alliance and parity in funding for the Fulbright Program. The GOI delivered a paper on January 21 on the Agricultural Initiative Workplan and has promised sometime soon a package of health care linkages. We agreed to get back to the GOI on a paper for Indian astronaut participation on the International Space Station, a maritime security/anti-piracy statement, a Post-NSSP Missile Defense statement of principles, an IPR law enforcement training program, a list of commercial legacy issues (delivered by

EconCouns on January 23), and details on the US-India Partnership on Wildlife Trafficking. The GOI is willing to work with us to set up a series of expert meetings on Avian Flu, which could figure prominently on the agenda of Under Secretary Dobriansky when she visits India in February. We

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are waiting for a decision on an exception for Indian access to MMA development technologies and a decision on the LPD.

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The ball is in our court to finish reviewing Indian papers on the Logistic Support Agreement, and check on the possibility of opening an office of the National Science Foundation in India, and Indian participation in the FutureGen Zero Emission Project and the Integrated Ocean Drilling Program.

¶29. (SBU) List of Participants:

India

Foreign Secretary Shyam Saran
MEA Joint Secretary (Americas) S. Jaishankar
MEA Director (Americas) Gaitri Kumar
Foreign Secretary's Office Director Rahul Chhabra
MEA Deputy Secretary (Americas) Santosh Jha
Department of Atomic Energy Director Dr. R. B. Grover
Atomic Energy Commission Head of International Division Dr. K. Raghuraman

USA

Undersecretary for Political Affairs R. Nicholas Burns
Ambassador Mulford
NSC Senior Director John Rood
Senior Advisor to P Ashley Tellis
SA Dick Christenson
OSD Claudio Lilienfeld
Senior Advisor to T Jason Tellis
P Special Assistant Tobin Bradley
Political Counselor Geo Q?U) Visit New Delhi's Classified Website:
(<http://www.state.sgov.gov/p/sa/newdelhi/>)
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